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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman

GARY PIERCE

BRENDA BURNS

BOB BURNS

SUSAN BITTER SMITH

2013 MAY -6 P 4: 05

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
MORENCI WATER & ELECTRIC COMPANY
FOR APPROVAL OF A RATE INCREASE.

) DOCKET NO. E-01049A-11-0300

)

)

)

IN THE MATTER OF THE APPLICATION OF
MORENCI WATER & ELECTRIC COMPANY
FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES FOR ITS ELECTRIC
AND WATER DEPARTMENTS.

) DOCKET NO. W-01049A-11-0311

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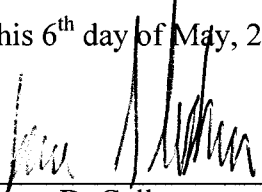
)

**NOTICE OF FILING
UPDATED CALCULATION OF
PPFAC RATE**

Morenci Water and Electric Company submits a updated calculations of the PPFAC rate to
be in effect from June 1 through November 30, 2013.

RESPECTFULLY SUBMITTED this 6th day of May, 2013.

By


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Attorney for Morenci Water & Electric Company

Arizona Corporation Commission

DOCKETED

MAY 6 2013

DOCKETED BY



1 Original and 13 copies of the foregoing
filed this 6th day of May, 2013, with:

2 Docket Control
Arizona Corporation Commission
3 1200 West Washington Street
Phoenix, Arizona 85007
4

5 Copy of the foregoing hand-delivered
this 6th day of May, 2013 to:

6 Lyn A. Farmer, Esq.
Chief Administrative Law Judge
7 Hearing Division
Arizona Corporation Commission
8 1200 West Washington Street
Phoenix, Arizona 85007
9

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MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 1
PPFAC Adjustor Calculation

June 2013 Through November 2013
April 15 2013 Filing (Update)
June 1, 2013 Implementation

DESCRIPTION	PPFAC ADJUSTMENT PER KWH		
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(1) True-Up Component per Schedule PPFAC 2	0		
(2) Forward Component per Schedule PPFAC 3	-\$0.00620		
(3) Total PPFAC Adjustor Before Frozen Bank Surcharge (1) + (2)	-\$0.00620		
(4) Current PPFAC Adjustor	-\$0.00927		
(5) Increase (Decrease) in Adjustor (3)-(4)	\$0.00307		
(6) Final PPFAC Adjustor (See Restrictions)	-\$0.00620		
(7) Frozen Bank Surcharge per Schedule PPFAC 6	\$0.00451		
(8) Total PPFAC Adjustor (6) + (7)	-\$0.00169		
	MONTHLY BILL		

(9) Average Residential Bill With Current Adjustor (682 kWh)	\$48.05	595	595
		0.07628	0.07628 **
(10) Average Residential Bill With Revised Adjustor	\$49.88	45.39	45.39
(11) Change in Monthly Bill	\$1.83	-0.00476	-0.00169
		-2.83	-1.01
(12) Percentage Change	3.80%		
		5.5	5.5
		45.39	45.39
		-2.83	-1.01
		48.05	49.88

PPFAC ADJUSTOR RESTRICTIONS:

Any calculated increase on line 5 is limited to \$0.00400 per kWh. There are no restrictions on calculated decreases.

If the amount on line (5) is less than \$0.00400 per kWh, amounts on lines (3) and (6) are equal.

**The 0.07628 is the base energy charge that consists of (1) the base fuel and purchased power cost of \$0.05000; and (2) the distribution charge of \$0.02628

MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 2
True-Up Component Calculation

June 2013 Through November 2013
April 15 2013 Filing (Update)
June 1, 2013 Implementation

DESCRIPTION	DATE OR PERIOD	PPFAC AMOUNTS
(1) PPFAC Balance Per FA-1 (Over) Under Collected	@ February 28, 2013	\$0
(2) Projected KWh Sales - Per Schedule PPFAC 4	June 2013 - Nov 2013	20,312,956
(3) PPFAC True-Up Component Cost per kWh (1)/(2)	June 2013 - Nov 2013	\$0.00000

MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 3
Forward Component Calculation

June 2013 Through November 2013
April 15 2013 Filing (Update)
June 1, 2013 Implementation

DESCRIPTION	6 MONTH PERIOD	PPFAC AMOUNTS
From Schedule PPFAC 4:		
Projected Purchased Power Costs	June 2013 - Nov 2013	\$889,942
Projected kWh Sales	June 2013 - Nov 2013	20,312,956
(1) Projected Purchased Power Cost per kWh	June 2013 - Nov 2013	\$0.04380
(2) Base Cost of Purchased Power per kWh		\$0.05000
Forward Component per kWh (1)-(2)	June 2013 - Nov 2013	-\$0.00620

MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 4
Forward Component Worksheet

June 2013 Through November 2013
April 15 2013 Filing (Update)
June 1, 2013 Implementation

JUNE 1, 2013 FORWARD COMPONENT DETAIL

MONTH	PROJECTED THIS YEAR			ACTUAL FOR PRIOR YEAR 2012		
	KWH SALES	PP COST	COST/KWH	KWH SALES	PP COST	COST/KWH
June	3,407,186	142,420	0.0418	3,097,442	114,915	0.0371
July	4,166,379	190,820	0.0458	3,787,617	143,172	0.0378
August	4,346,305	200,799	0.0462	3,951,186	158,443	0.0401
September	3,660,397	157,031	0.0429	3,327,634	129,445	0.0389
October	2,520,297	104,844	0.0416	2,291,179	93,251	0.0407
November	2,212,393	94,027	0.0425	2,011,266	86,082	0.0428
Total (1)	20,312,956	889,942	0.0438	18,466,324	725,308	0.0393

DECEMBER 1, 2013 FORWARD COMPONENT DETAIL

MONTH	PROJECTED THIS YEAR			ACTUAL FOR PRIOR YEAR _____		
	KWH SALES	PP COST	COST/KWH	KWH SALES	PP COST	COST/KWH
December						
January						
February						
March						
April						
May						
Total (1)						

NOTE:

(1) Projected totals tie to Schedule PPFAC 2 and Schedule PPFAC 3

MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 5
Actual vs Projected Purchased Power Cost

June 2013 through November 2013
April 15 2013 Filing (Update)
June 1, 2013 Implementation

MONTH	ACTUAL			PROJECTED (1)		
	KWH SALES	PP COST	COST/KWH	KWH SALES	PP COST	COST/KWH
June				3,407,186	142,420	0.0418
July				4,166,379	190,820	0.0458
August				4,346,305	200,799	0.0462
September				3,660,397	157,031	0.0429
October				2,520,297	104,844	0.0416
November				2,212,393	94,027	0.0425
Total				20,312,956	889,942	0.0438

MONTH	ACTUAL			PROJECTED (2)		
	KWH SALES	PP COST	COST/KWH	KWH SALES	PP COST	COST/KWH
December						
January						
February						
March						
April						
May						
Total						

NOTE:

- (1) Projected in April 15th, 2013 PPFAC Adjustor Filing
(2) Projected In October 15th, 2013 PPFAC Adjustor Filing

MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 6
Frozen Bank Account Recovery Worksheet
Covering the Period of March 2013

MONTH	BEGINNING BANK BALANCE	KWH SALES	SURCHARGE RECOVERY AT \$0.00451 PER KWH	ENDING BANK BALANCE
Mar-13	322,772	2,379,950	10,734	312,038